

Putting it all Together: Connecting With our Customers, Part I



by Lt. Col. Charles Sherwin Jr., U.S. Air Force, Commander,
DCMA Northern California — Roseville

Life is about the journey towards change rather than the ultimate destination. Life is also about relationships. For DCMA personnel, connecting with customers is the source and summit of Agency life! We are all in a relationship with various entities and thus in a constant



state of change — change and relationships are interrelated. World-class elite athletes and fighter pilots, in their relationships with training professionals, do not become the experts they are overnight; it takes years of training to achieve the levels of performance required to be at the top of their fields, which they call “being in the zone.” Getting to “the zone” requires discipline and a defined methodology. Northern California knows this process as the “execution difference.” The “execution difference” entails being in command of three key organizational processes imbedded in a customer-centered culture. This is the first of a two-part article that examines the Northern California contract management

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office’s (CMO’s) evolution to a customer-centered culture and the strategies involved in executing this transformation. People and organizations vary in their reactions to change, and Part I recounts the changing behavior of DCMA Northern California personnel as they move through the first three stages of Mr. Dennis Jaffe and Ms. Cynthia Scott’s four-state

model of how people transition through change and finally achieve “the zone.” Part II, which will be printed in the next issue of *Communicator*, reports the ways in which behavioral changes are set and the transition state of commitment that is required to stay in “the zone.”

The Northern California CMO Customer Realignment Journey

In November 2003, DCMA Northern California, along with many other CMOs across the nation, kicked off its Customer Connection Integrated Product Teams (IPTs). The work was valuable, but the results were mixed. Headquarters and the CMOs had challenges implementing the IPT strategies, reaching back into the Department of Defense (DoD) and developing a relationship with each customer (System Program Office director, commodity manager, etc.).

(Above) Ms. Charlene Ivey, director, DCMA Northern California (DCMA staff photo)

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The Customer Connection IPTs were aimed at self-organizational reflection and helped CMOs answer five key questions:

- *What do we do?*
- *For whom do we do it?*
- *What do they want and why?*
- *How can we better improve their satisfaction and our performance?*
- *What is the strategy and process for creating a customer-centered culture?*

The premise of this organizational self-reflection is found in Mr. Robin Lawton's book, *Creating a Customer-Centered Culture: Leadership in Quality, Innovation, and Speed*. In this text, Mr. Lawton demonstrates how to alter one's business management philosophy from viewing one's organization as a producer (or in DCMA's case, a contractor) to using a more customer-centered management style.

Throughout most of the book, the focus of discussion continually returns to four main themes:

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- Defining our customer expectations
- Measuring our performance to these expectations
- Managing our processes to obtain the desired results
- Checking for success

A key point that Mr. Lawton makes is that what an organization measures reveals its values and priorities — the idea expressed in the age-old adage, “It does not matter if you do things right if you are not doing the right things.” The gap between what was being done and what needed to be done was identified by DCMA Northern California (then DCMA San Francisco) through internal organization assessments.

This contextual gap is referred to in the first chapter of the book, *Execution: The Discipline of Getting Things Done* by Mr. Larry Bossidy and Mr. Ram Charan. DCMA Northern California mitigated this gap using performance management reviews (PMRs) to reveal its values and priorities and manage its business, and its leadership intensely manages the utilization of PMRs. It is important to understand the distinction between “micromanaging” and “intensely managing.” “Leading for execution is not about micromanaging, or being ‘hands-on’ or disempowering people,” said Mr. Bossidy and Mr. Charan. “Rather, it is about active involvement.” Ms. Darlene Harris, DCMA Northern California Operations group chief, agrees: “Active involvement means having an intense collaborative discussion with each team on a monthly basis to determine how we know how we are doing. We commit over 800 direct labor hours a month to this activity. PMRs allow leaders to excel at the substance of execution and the key details. They give leaders the ability to use their knowledge of the business to



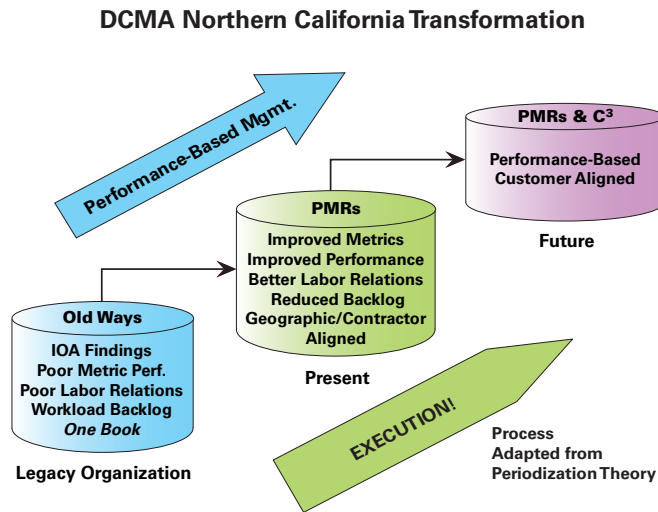
(Left) Ms. Darlene Harris, Operations group chief, DCMA Northern California (DCMA staff photo)

The result of these changes was a fundamental adjustment in the mindset of the organization's members.

constantly probe and question. PMRs bring weaknesses to light and rally their people to correct them.

CMO leaders who use PMRs are “exceptional presences — they are powerful and influential because they are their businesses,” said Mr. Bossidy and Mr. Charan. “They are intimately and intensely involved with their people and operations. These leaders connect because they know the realities and talk about them. They’re knowledgeable about the details. They’re excited about what they’re doing. They’re passionate about getting results. This is not inspiration through exhortation or speechmaking — these leaders energize everyone by the example they set. Setting the example is how one gets to ‘the zone.’”

Getting to “the zone” takes disciplined hard work that is incrementally built upon and leverages a methodology known in world-class athletic training as periodization theory. The basic premise of all periodization programs is that training should progress from general to specific (principle of specificity) and always emphasize the unique needs of the athlete (principle of individuality). Periodization also goes beyond basic, specific training throughout a given time period: It involves arranging workouts in such a way that elements of fitness achieved in earlier phases of training are maintained (principle of reversibility) while new ones are addressed and progressively improved upon (principle of progressive overload). With such a pattern of change, the targeted physiological system gradually becomes more fit and is then maintained as a new system is targeted. Adapting periodization theory to the DCMA workplace is straightforward. Depicted above is DCMA Northern California’s simple



periodization plan for producing a peak in performance by varying volume and intensity to progress to the next plateau.

As DCMA Northern California worked toward being in “the zone,” the behaviors of the personnel also transitioned through three distinct stages — denial, resistance and exploration. The result of these changes was a fundamental adjustment in the mindset of the organization’s members. “Three years ago we could not have done what we are doing today,” said Ms. Charlene Ivey, DCMA Northern California director. “We have departed our old ways, forged new horizons with our PMRs and are now ready to boldly go where few others have gone.” This realization did not occur overnight. It started in the fall of 2004 when DCMA Northern California was challenged with implementing performance-based management (PBM). The CMO’s Customer Connection IPT was at a wall, struggling to produce customer outcome metrics for its day-to-day operations. Analogous to the four transitional states of the change process, one could say the CMO was in denial about becoming a customer-centered culture. This stage of denial culminated in January 2005 at its Senior Leadership Team’s

(Above) DCMA Northern California’s periodization program for incremental transformation.



Strategic Offsite meeting, where a pre-decision organizational structure was developed to align with customers to alleviate organizational barriers to success. Here, in the dead of winter, the CMO personnel found themselves in the second stage — resistance. “After hours of reflecting on our not-so-distant past, pouring over briefings from the November 2004

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Commander’s Conference and revisiting the chain of command’s visions and Director’s Sight Pictures, the answer was glaringly obvious: we had to realign our organization and connect with our customers,” said Ms. Ivey. “The question was, ‘How?’”

DCMA Northern California is a CMO of significant size, which made realignment a considerable undertaking. It is geographically diverse, covering nearly 200,000 square miles of Northern California and Nevada, responsible for contract administration services for nearly 47,000 contracts valued in excess of \$14.9 billion, involving

more than 700 contractors and every principle buying authority in DoD. From *Operation Iraqi Freedom*, to *Operation Enduring Freedom*, to Homeland Security, to military deputy

(MILDEP) cornerstone programs, DCMA Northern California does it all with 200 civilian and a few military personnel. “To some the challenge may seem a daunting and less-than-positive idea; to others the change is comfortable, welcomed and a great idea,” said Lt. Col. Charles B. Sherwin Jr., DCMA Northern California tertiary commander in Roseville, Calif. “What we are doing is both classic textbook and, for DCMA, cutting edge. Our Strategic Offsite was outstanding. It involved long hours, was mentally stimulating and physically exhausting but yielded a conceptual result that none of us imagined.” The CMO members now needed to get back home to gain approval and buy-in for a major realignment.

The Commander’s Operations Brief development and staffing method became the approval process. The Northern California CMO gained successive approval through two pre-briefs, the DCMA District West director and staff, and ultimately the DCMA Headquarters’ Director’s Brief. At each point up the chain of command, leadership and their action officers commended both the concept and the initiative. A new customer-realigned organization was conceived. DCMA Northern California now had signs of an early spring and was headed for the third transition state of change, exploration.

(Top) Clockwise from left: DCMA Northern California employees Mr. Rob Armstrong, Mr. Fred Gong, Mr. Rene Nunes, Mr. Basil Atad and Mr. Allen Myles (DCMA staff photo)

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The Northern California CMO Customer Realignment Project

Realigning a CMO is a complex task that is explorative in nature and perfectly suited for project management. The customer realignment project was divided into two project-oriented process phases. The first phase is what the Northern California CMO calls “systems review and development, ending with an initial operating capability.” The second phase is referred to as “operational test and evaluation, ending in a fully operating capability.”

The customer realignment project team first initiated a plan based on the review of other planning outputs such as the strategic off-site discovery material and CMO work breakdown structure; analysis of historical information (e.g. other Northern California CMO transformation efforts); organizational policies (e.g. the collective bargaining agreement, quality functional deployment initiatives and fiscal and other types of constraints); and any assumptions such as start and end dates. Tools and techniques used for the plan’s development included a project planning methodology that employed Microsoft Project¹ and Microsoft Outlook² and a review of stakeholder skills and knowledge.

The work results comprise three levels of detail. Level One details milestones and phases. At this level, a project management kick-off meeting initiated the customer realignment effort and, as mentioned above, the overall project was broken up into two phases: system review and development (SRD) and operational test and evaluation. Each phase ends with a milestone of initial operational capability (IOC) and full operational capability, respectively. Level Two

details the SRD phase, which consisted of a workload distribution and letter of delegation requirements review. That information was fed into DCMA Northern California’s Workload Distribution Model (WDM) and organic Microsoft Access³ database. The WDM was queried and run several times to reconcile quantitative and qualitative data. After successful iterations, team members were able to publish a new customer-aligned workload distribution that could be validated by both the business and technical team leads.

In addition to team workload distributions being published, management information systems (databases) were required to change, and both new team buying offices and contractors had to be notified.

At a third level of detail, significant work was accomplished by the acquisition technical leads (ATLs) and administrative contracting officers (ACOs). For example, ATLs had to identify contract and contractor commodity requirements. Next, they had to identify quality assurance representatives (QARs) by certification and then conduct an end-to-end commodity requirement resource review. This led to QARs aligned by commodity with customer-aligned teams and identified lead teams for multiple government source inspection contractors. Finally, they published draft QAR team and matrix workload assignments. The ACOs accomplished a similar effort with the business teams. Once both the business and technical teams were established, team supervisors validated the ATL and ACO efforts. Again, some minor changes were made, but 90 percent of the solution was in writing. Finally, the acting CMO director made the final call and validated the resulting effort: resources were allocated to requirements (faces to spaces); floor plan assignments were identified for teams (faces to places); and final customer-aligned team workload distributions were published to the employees and union

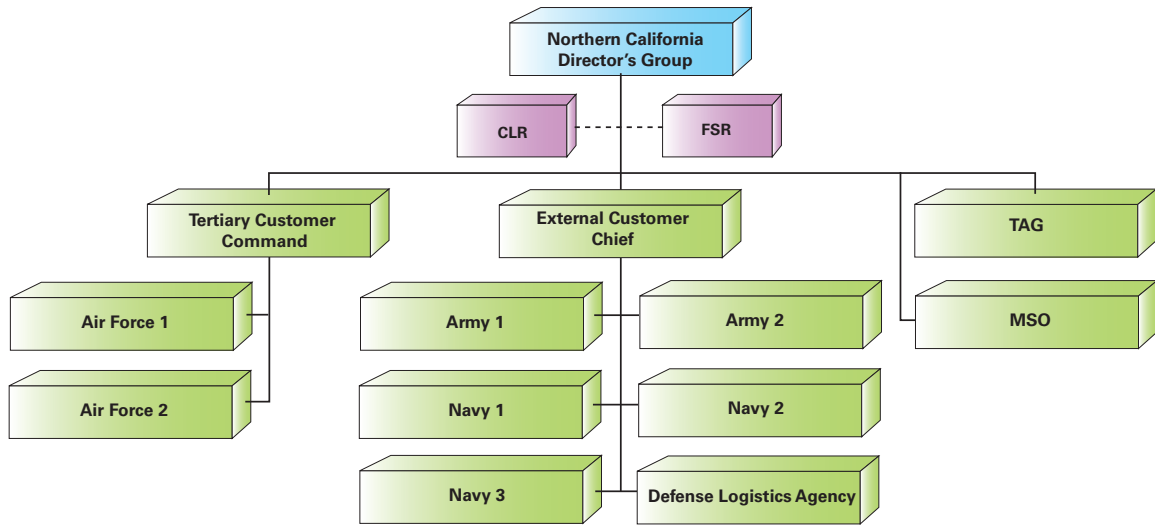
¹ Microsoft Project is a registered trademark of Microsoft Corporation in the United States and/or other countries.

² Microsoft Outlook is a registered trademark of Microsoft Corporation in the United States and/or other countries.

³ Microsoft Access is a registered trademark of Microsoft Corporation in the United States and/or other countries.

⁴ *ibid.*

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Customer-Aligned Support Work Breakdown Structure (WBS)

local. The final validation was simple — each team was represented in the customer realignment war room, and the director asked each front-line supervisor two questions: “Is there any team you would not want to lead?” and, “Which team would you want to lead and why?” The discussion was collaborative, informative and productive. Since each supervisor had built the teams from the workload (spaces) through to team members (faces), every supervisor said that he or she would be proud to lead any one of the Operations teams.

In addition to team workload distributions being published, management information systems (databases) were required to change, and both new team buying offices and contractors had to be notified. Finally, team handoff and briefings were required and culminated in IOC. A new customer-realigned organization was born, as depicted above.

In accordance with the collective bargaining agreement, the union local was officially notified of the new customer-realigned organization

15 days before IOC, on March 18, 2005. The following week, during Northern California CMO town hall meetings, the senior leadership team briefed the new customer-realigned organization and the project effort that resulted in the IOC baseline organizational structure. Each “new” customer-aligned team supervisor was presented with a MILDEP lanyard, and the teammates were publicly recognized with applause. It was an exciting moment. Having the employees stand and be recognized as their new teams were announced was an exceptional way of creating employee acceptance.

Lessons Learned

Reflection may be life’s most significant endeavor. It yields lessons learned at every juncture and invigorates relationships, both old and new. A lessons-learned report allows us to understand the causes of variances, the reasoning behind corrective action chosen and other experiential education that may be realized. The Northern California CMO is not short on lessons learned during its SRD phase.

(Above) After successfully completing two phases, system review and development and operational test and evaluation, team members published a new customer-aligned workload distribution that was validated by both the business and technical team leads.

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Getting to “the zone” takes disciplined hard work and a regimented methodology — it is a continuous journey, not a destination. Like world-class elite athletes and fighter pilots, the Northern California CMO did not get to where it is today by idly standing on the sideline but by making incremental changes to affect behavior. The personnel at DCMA Northern California came to understand that connecting with one’s customer has to do with change and being in a

relationship with them. The Northern California CMO knows it as the “execution difference.”

The author would like to acknowledge the following members of the DCMA Northern California Senior Leadership Team for their editing assistance: Ms. Charlene Ivey, director; Ms. Darlene Harris, Operations Group chief; and Mr. Jahn Enger, Technical Assessment Group chief.

Lessons Learned from DCMA Northern California’s Customer Realignment Journey

- 1. Establish a war room.** Your organization needs a unique place to accomplish its important business of connecting with your customers and realigning your organization to forge new customer differentiations and relationships and conduct performance-based management (PBM).
- 2. Establish your communication plan** up front and early, and tell them eight times over.
- 3. Step into your realigning effort** in open communication with your union local partner(s).
- 4. Use project management** to execute your realignment.
- 5. Apply the old adage, “if at first you don’t succeed, try, try again!”** This is especially true when it comes to changing databases and conducting workload requirements review. For example, Mechanization of Contract Administration Services (MOCAS) is a legacy geographic-centric DCMA database. Work-arounds had to be developed to circumvent commercial and government entity (CAGE) code idiosyncrasies. Risk Assessment Management Programs (RAMP) created minor challenges; segregate RAMP responsibility into business and technical categories to determine lead teams.
- 6. Plan for many data pulls and sorting.** Try to identify all data elements you may need for planning prior to developing a query. Much of the review, validation and assignment of teams was developed by sorting the data from an original SDW pull. This resulted in numerous spreadsheets using baseline data filtered differently (i.e. contractor, commodity, buying activity, CAGE code, DoD Activity Address Code, inspection requirements, etc.). Formatting and sorting data is time consuming and prone to error.
- 7. Develop an Access⁴ database** to use your realignment information efficiently. This will require additional effort up front but will save

time throughout the planning and workload assignment phases.

- 8. Appoint an information configuration manager.** One individual will need to have ownership of the baseline spreadsheets and database. Maintaining configuration management throughout the realignment process is paramount.

- 9. Continuously communicate the vision.** Stretching personnel’s minds beyond geographical boundaries to customer-centric horizons was challenging. Personnel on the front lines had a hard time envisioning how to assign workload by customer.

- 10. Build breadth into your personnel.** Single commodity certified quality assurance specialist (QAS) personnel limited some assignment options. Our contract management office (CMO) will need to train more QASs to have multiple-commodity certifications to make our customer-aligned geographic CMO more efficient and agile.

- 11. Transform letters of delegation (LODs) to be information management friendly.** LODs are required to be tracked at the customer sub-tier subcontractor level. As DCMA continues to move to a customer-aligned PBM organization, databases have to be changed to have the option to assign both LODs and contracts by customer, not CAGE code. This will take a concerted effort by all CMOs to have these systems updated to assign workload by customer instead of by CAGE code.

- 12. Finally, exploit and use your newly trained black-belt quality function deployment (QFD) experts.** This is a strategy that not only is productive but also can bind your people together in a common cause. DCMA Northern California provided QFD training to all teams with an extensive effort focused on in-depth, team-by-team practicum to institutionalize the practice within the CMO.